

Property _____

INFORMATION FOR BUYERS OF PRE-CONSTRUCTION CONDOMINIUM HOMES ABOUT THE POSSIBLE TERMINATION OF PURCHASE AGREEMENT

To: Purchaser(s) of the Property

1. Take Note

You are entering into a purchase transaction which relates to a pre-construction condominium unit¹. You should be aware of the possibility that it may never be completed.

Important information about your purchase is set out in this document.

You should review your purchase agreement including this document with a lawyer familiar with condominium transactions.

Remember that you have a 10-day period to cancel your purchase.²

2. Be Aware of Timing

The Vendor's best estimate as to when your unit will be ready for occupancy is shown as the "First Tentative Occupancy Date" on the Statement of Critical Dates and is _____ (Month/Day/Year). This date may be further extended. Please refer to the Statement of Critical Dates in the Condominium Addendum (which forms part of your Purchase Agreement) for an explanation of how this date may change.

3. Completion of Your Purchase Is Not Certain – It Can Be Terminated by the Vendor³

Your Purchase Agreement contains early termination conditions which could result in your purchase being terminated. These are set out in detail in the Condominium Addendum. In general terms, the Vendor can end your purchase if:

- a. By _____ (Month/Day/Year), a set level of sales for the project has not been achieved.
- b. By _____ (Month/Day/Year), certain zoning and/or development approvals have not been obtained.
- c. By _____ (Month/Day/Year), satisfactory financing for the project has not been obtained.

This may not list all of the conditions that may exist in the Condominium Addendum.

¹ This information sheet applies to residential units in a standard residential condominium corporation as well as a phased condominium corporation (see paras 6(2) 2 and 4. of the *Condominium Act, 1998*).

² See *Condominium Act, 1998*, s.73.

³ **Note to Vendor:** insert "n/a" in the date area if any of paragraphs 3(a), (b) or (c) do not apply.

Note: In most cases, if your Purchase Agreement is terminated, any deposit monies you have paid must be returned to you with interest at the rate no less than that prescribed by the Condominium Act, 1998⁴. Other recourse (monetary or otherwise) may be limited – you should speak to your lawyer.

4. Ownership of Property

The Vendor represents, warrants and declares that the Vendor owns the freehold ownership interest in the Property or has the power to compel transfer of the freehold ownership interest in the Property before closing.

5. Title Restrictions

The Vendor represents, warrants and declares that:

- a. The Property is free from any registered title restriction that binds the Project which would prevent completion of the Project and/or sale of your unit to you. YES NO
- b. If No, that is, if such a restriction exists, the Vendor's explanation for how the restriction will be removed so the Project can proceed and/or the sale can be completed is set out below (add attachment, if necessary).

6. Zoning Status

The Vendor represents, warrants and declares that:

- a. The Vendor has obtained appropriate Zoning Approval for the Building. YES NO
- b. If No, the Vendor shall give written notice to the Purchaser within 10 days after the date that appropriate Zoning Approval for the Building is obtained.

7. Construction Status

The Vendor represents, warrants and declares that:

- a. Commencement of Construction: has occurred; or, is expected to occur by _____ (Month/Day/Year).
- b. If commencement has not occurred, the Vendor shall give written notice to the Purchaser within 10 days after the actual date of Commencement of Construction.

⁴ Interest required to be paid on deposit monies returned to a purchaser is governed by the *Condominium Act, 1998* – see section 82, and section 19 of O. Reg. 48/01. In general terms, it is 2 percentage points less than a specified Bank of Canada rate recalculated every 6 months.

8. Your Purchase Agreement

This document is to be used for a purchase transaction where the transaction remains conditional and the unit is a condominium unit in respect of a condominium project for which a description is proposed to be registered under the Condominium Act, 1998. This document⁵ together with the Condominium Addendum⁶, forms part of your Purchase Agreement. This document, the Condominium Addendum and the balance of your Purchase Agreement are to be signed at the same time. If any conflict or inconsistency exists among these documents, the provisions of the Condominium Addendum shall prevail followed by this document. Terms not defined in this document have the meaning set out in the Condominium Addendum.

9. Legal Advice is Important

Prior to signing the purchase agreement or any amendment to it, you should seek advice from a lawyer with respect to the purchase agreement or any amending agreement to the proposed transaction. Also review with your lawyer the disclosure statement required by the condominium act, 1998.

DATED _____ (Month/Day/Year).

I/We the undersigned acknowledge having received and read this document.

Purchaser Signature

Purchaser Name

Vendor Signature

Vendor Name

⁵ HCRA's expectation is that this document be placed at the front of the purchase agreement. Compliance with the requirement to place this document at the front of the Purchase Agreement does not affect enforceability of the purchase agreement.

⁶ This is the mandatory condominium addendum required to be attached to this Purchase Agreement and referred to in Regulation 165/08 under the *Ontario New Home Warranties Plan Act*.